

SUMMARY: The Food and Drug Administration (FDA) is affirming that papain is generally recognized as safe (GRAS) as a direct human food ingredient. The safety of this ingredient has been evaluated under the comprehensive safety review conducted by the agency.

DATE: Effective November 21, 1983. The Director of the Federal Register approves the incorporation by reference of certain publications in 21 CFR 184.1585 effective on November 21, 1983.

FOR FURTHER INFORMATION CONTACT: John W. Gordon, Bureau of Foods (HFF-335), Food and Drug Administration, 200 C St. SW., Washington, DC 20204, 202-426-5487.

SUPPLEMENTARY INFORMATION: In the Federal Register of July 21, 1978 (43 FR 31349), FDA published a proposal to affirm that papain is GRAS for use as a direct human food ingredient. FDA published this proposal in accordance with its announced review of the safety of GRAS and prior-sanctioned food ingredients.

Subsequently, the agency published a tentative final rule in the Federal Register of August 31, 1982 (47 FR 38347), in which FDA proposed not to include the levels of use or food categories that appeared in the proposal and to change the specifications for papain. The agency provided an opportunity for public comment on these proposed changes. In addition, the preamble to the tentative final rule contained a discussion of several new studies that had been submitted for the agency's review.

One comment was received in response to the tentative final rule on papain. A trade association of food enzyme manufacturers generally endorsed the conclusions of the tentative final rule.

Therefore, the agency is adopting this final rule with no changes.

The agency has previously determined under 21 CFR 25.24(d)(6) (proposed December 11, 1979; 44 FR 71742) that this action is of a type that does not individually or cumulatively have a significant impact on the human environment. FDA has not received any new information or comments that would alter its previous determination.

In accordance with the Regulatory Flexibility Act, the agency previously considered the potential effects that this rule would have on small entities, including small businesses. In accordance with section 605(b) of the Regulatory Flexibility Act, the agency has determined that no significant impact on a substantial number of small entities would derive from this action.

FDA has not received any new information or comments that would alter its previous determination.

In accordance with Executive Order 12291, the agency has previously considered the potential economic effects of this final rule. As announced in the tentative final rule, the agency has determined that the rule is not a major rule as determined by the Order. FDA has not received any new information or comments that would alter its previous determination.

The agency's findings of no major economic impact and no significant impact on a substantial number of small entities, and the evidence supporting these findings, are contained in a threshold assessment which may be seen in the Dockets Management Branch (HFA-305), Food and Drug Administration, Rm. 4-62, 5600 Fishers Lane, Rockville, MD 20857, between 9 a.m. and 4 p.m., Monday through Friday.

List of Subjects

21 CFR Part 182

Generally recognized as safe (GRAS) food ingredients, Spices and flavorings.

21 CFR Part 184

Direct food ingredients, Food ingredients, Generally recognized as safe (GRAS) food ingredients, Incorporation by reference.

Therefore, under the Federal Food, Drug, and Cosmetic Act (secs. 201(s), 409, 701(a), 52 Stat. 1055, 72 Stat. 1784-1788 as amended (21 U.S.C. 321(s), 348, 371(a)) and under authority delegated to the Commissioner of Food and Drugs (21 CFR 5.10), Parts 182 and 184 are amended as follows:

PART 182—SUBSTANCES GENERALLY RECOGNIZED AS SAFE

§ 182.1585 [Removed]

1. Part 182 is amended by removing § 182.1585 *Papain*.

PART 184—DIRECT FOOD SUBSTANCES AFFIRMED AS GENERALLY RECOGNIZED AS SAFE

2. Part 184 is amended by adding new § 184.1585, to read as follows:

§ 184.1585 *Papain*.

(a) Papain (CAS Reg. No. 9001-73-4) is a proteolytic enzyme derived from *Carica papaya* L. Crude latex containing the enzyme is collected from slashed unripe papaya. The food-grade product is obtained by repeated filtration of the crude latex or an aqueous solution of latex or by precipitation from an aqueous solution of latex. The resulting

enzyme preparation may be used in a liquid or dry form.

(b) The ingredient meets the specifications of the Food Chemicals Codex, 3d Ed. (1981), pp. 107-110, which is incorporated by reference. Copies are available from the National Academy Press, 2101 Constitution Ave. NW., Washington, DC 20418, or available for inspection at the Office of the Federal Register, 1100 L St. NW., Washington, DC 20408.

(c) In accordance with § 184.1(b)(1), the ingredient is used in food with no limitation other than current good manufacturing practice. The affirmation of this ingredient as generally recognized as safe (GRAS) as a direct human food ingredient is based upon the following current good manufacturing conditions of use:

(1) The ingredient is used as an enzyme as defined in § 170.3(o)(9) of this chapter; processing aid as defined in § 170.3(o)(24) of this chapter; and texturizer as defined in § 170.3(o)(32) of this chapter.

(2) The ingredient is used in food at levels not to exceed current good manufacturing practice.

(d) Prior sanctions for this ingredient different from the uses established in this section do not exist or have been waived.

Effective date: This regulation shall be effective November 21, 1983.

(Secs. 201(s), 409, 701(a), 52 Stat. 1055, 72 Stat. 1784-1788 as amended (21 U.S.C. 321(s), 348, 371(a)))

Dated: October 7, 1983.

William F. Randolph,
Acting Associate Commissioner for
Regulatory Affairs..

[FR Doc. 83-28655 Filed 10-20-83; 8:45 am]

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DEPARTMENT OF THE INTERIOR

Bureau of Indian Affairs

25 CFR Part 114

Special Deposits

AGENCY: Bureau of Indian Affairs, Interior.

ACTION: Final rule.

SUMMARY: The Bureau of Indian Affairs is publishing a final rule document which will provide procedures required to determine final ownership of funds which are on deposit in account 14X6703 "Indian Moneys, Proceeds of Labor Escrow Account—Pending Determination of Ownership." These funds are balances as of September 30,

1982, and interest accrued prior to that date, which have been transferred from account 14X8500 "Indian Moneys, Proceeds of Labor" pursuant to the Interior Department's FY 1982 Supplemental Appropriation Act. These rules will set forth procedures for the final determination of ownership of the funds and their eventual distribution to the rightful individual Indians and/or tribes.

EFFECTIVE DATE: This rule document will become effective November 21, 1983.

FOR FURTHER INFORMATION CONTACT: Thomas A. Stangl, Chief, Division of Program Development and Implementation, Bureau of Indian Affairs, Room 4806, 1951 Constitution Avenue, NW., Washington, D.C. 20245, telephone number (202) 343-2128.

SUPPLEMENTARY INFORMATION: This final rule is published in exercise of authority delegated by the Secretary of the Interior to the Assistant Secretary—Indian Affairs by 209 DM 8.

"Indian Moneys, Proceeds of Labor" (IMPL, account 14X8500), are miscellaneous receipts collected by the Bureau of Indian Affairs (BIA) at BIA agencies and schools. Under authority found in 25 U.S.C. 162a, IMPL funds were included as a part of the BIA investment program. Prior to publication of 25 CFR 114 (formerly numbered 25 CFR 103b), interest earned from the investment of "special deposits" was deposited into the IMPL accounts.

Subsequent to publication of 25 CFR Part 114, interest earned on "special deposits" for the period beginning April 1, 1981, has been credited to the particular "special deposit" account on which the interest was earned. These final regulations were developed to prescribe the procedures to be followed to determine ownership of the funds in account 14X8500 "Indian Moneys, Proceeds of Labor" as of September 30, 1982, which represents interest earned on "special deposits" and deposited into the IMPL accounts prior to the period ending March 31, 1981.

The following Acts have been passed leading to these regulations: (1) Pub. L. 97-100, dated December 23, 1981, 95 Stat. 1391 (the Fiscal Year 1982 Interior Department Appropriations Act); and (2) Pub. L. 97-257, dated September 10, 1982, 96 Stat. 83 (the Fiscal Year 1982 Interior Department Supplemental Appropriations Act).

Public Law 97-257 amended Pub. L. 97-100 and directs that: "No funds shall be deposited in such 'Indian money, proceeds of labor' (IMPL) accounts after September 30, 1982. The unobligated balance in IMPL accounts as of the close of business on September 30, 1982,

including the income resulting from the investment of funds from such accounts prior to such date, shall be transferred to and held in escrow accounts at the locations of the IMPL accounts from which they are transferred. Funds in such escrow accounts may be invested * * * and the investment income added to such accounts. The Secretary shall determine no later than September 30, 1985 (after consultation with appropriate tribes and individual Indians), the extent to which the funds held in such escrow accounts represent income from the investment of special deposits relating to specific tribes or individual Indians. Upon such determination by the Secretary and express acceptance of the determination by the beneficiary, the Secretary shall transfer such funds to trust accounts for such tribes or individual Indians * * *." The Act authorizes the utilization of up to 10 percent of the funds transferred for costs of legal or other representation relating to claims for such funds; and up to 2 percent to reimburse the BIA for administrative expenses incurred in determining ownership of the funds. The Act further authorizes the expenditure during the period of October 1, 1985 through September 30, 1987, of the funds remaining in such escrow accounts, " * * * subject to the approval of the Secretary for any purpose authorized under the Act of November 2, 1921 (42 Stat. 208; 25 U.S.C. 13) and requested by the respective governing bodies of the tribes at the locations where such accounts are maintained." (The funds may be expended before October 1, 1985 if a Secretarial determination on ownership and appropriate fund transfers have been completed.) The Act finally provides that any unobligated balances in the escrow accounts as of the close of business on September 30, 1987 shall be deposited into miscellaneous receipts of the U.S. Treasury.

These regulations are being published to set forth the procedures governing the determination of ownership and final distribution of funds which were on deposit in account 14X8500 "Indian Moneys, Proceeds of Labor" as of September 30, 1982 (including interest accrued prior to that date) and which have been transferred to account 14X6703 "Indian Moneys, Proceeds of Labor Escrow Account—Pending Determination of Ownership" at the same locations where they are on deposit. Publication of these procedures as final regulations constitutes part of the consultation with interested tribes and individual Indians required by Pub. L. 97-257.

On March 24, 1983 there was published in the *Federal Register* (48 FR 12392) proposed regulations for *Special Deposits*.

Written comments were received from four tribes and one law firm on behalf of the Indian Tribes it represents. All comments timely received with respect to the proposed rules were carefully considered. Most of the comments received addressed Section 114.5, Distribution of the IMPL Escrow Account.

One tribe commented on paragraph (a)(5), Determination of Potential Beneficiaries of Section 114.5, and expressed opposition to the proposed formula for distributing the funds. Their suggestion was that separate and independent audits of the IMPL Escrow Account be conducted at each individual agency to have an equitable distribution of all income earned from investment of special deposits. Conducting full audits at each agency is not required and would be too costly. Therefore, distributions will be made utilizing the formula provided in § 114.5(a)(5). However, if clear documented records exist at agencies to identify specific amounts, then the agencies may use them providing that the records be made available for public review upon request. Paragraph (a) of § 114.5 has been amended to include a new subparagraph (7) which states this.

Comments from another tribe addressed paragraph (b)(4), *Notification of determination of potential beneficiaries* of § 114.5, and expressed concern that the potential owners would be required to complete acceptance forms prior to receiving any funds. Their particular concern was that notifying potential owners would be a difficult task. They suggested that the Superintendent be given the authority to complete acceptance forms on behalf of allottees who could not be contacted. Having the Superintendent sign the acceptance forms for an absentee potential beneficiary would merely establish another account from which funds could not be distributed. The agencies will continue to utilize every means possible (i.e., media, bulletin boards, newspapers, etc.) to notify potential owners.

Another tribe commented on paragraph (f)(2), Distribution of Residual Funds of § 114.5, and requested that the regulations be revised to state that any residual funds remaining after September 30, 1987, be transferred into the appropriate Tribal Treasury account instead of the United States Treasury. This request cannot be honored as the law specifically states that any

remaining funds will be deposited into the United States Treasury. However, the law does provide authority (specified in the Supplementary Information section) that funds which have not been claimed by potential beneficiaries, may be expended during the period of October 1, 1985, through September 30, 1987, at the locations where such accounts are maintained upon request by the respective governing bodies of the tribes.

Another tribe commented that the funds should be allocated to the same purpose that generated them and should be allocated proportionally to the tribes that generated the funds. The regulations set forth procedures to make a distribution of the present IMPL Escrow Account which will be distributed to the potential beneficiaries on a formula basis. The formula takes into account the relative interest of recipients (tribe or individual) of the principal which earned the interest which was deposited in the IMPL account.

The comments received from a law firm were received after the due date set forth in the proposed regulations. However, the letter was reviewed and acknowledged in paragraph (d)(4), Distribution, of § 114.5. The firm proposed a clarification of the regulations to leave no doubt that it is the tribes and individuals (and not the United States) that may use up to ten percent of their IMPL funds for payment of legal and other related costs. As no change but only a clarification is involved, the words "by the beneficiary" have been inserted in paragraph (d)(4) of § 114.5. The paragraph now reads: "Not more than ten percent (10%) of the funds which may be transferred to a trust account for any tribe, or to an IIM account for an individual, may be utilized by the beneficiary to pay for legal or other representation relating to claims for such funds."

The primary author of this rule is Thomas A. Stangl, Bureau of Indian Affairs, telephone number (202) 343-2128.

The Department of the Interior has determined that this document is not a major rule under the criteria established by Executive Order 12291 and certifies that it does not have a significant economic effect on a substantial number of small entities under the criteria established by the Regulatory Flexibility Act. It is estimated that it involves the disposition of less than \$20 million which will be distributed among some 200,000 individual Indians, as well as a number of Indian tribes.

This final rule does not contain information collection requirements

which require approval by the Office of Management and Budget under 44 U.S.C. 3504(h) *et seq.*

The Department of Interior has determined that this document does not constitute a major Federal action significantly affecting the quality of the human environment under the National Environmental Policy Act of 1969.

List of Subjects in 25 CFR Part 114

Accounting, Indian—business and finance.

Part 114 of Chapter I of Title 25 of the Code of Federal Regulations is hereby revised to read as follows:

PART 114—SPECIAL DEPOSITS

Sec.

114.1 Purpose and scope.

114.2 Definitions.

114.3 Investment of special deposit funds.

114.4 Payment and distribution of interest on special deposit funds.

114.5 Distribution of IMPL Escrow Account.

Authority: 25 U.S.C. 2; 25 U.S.C. 9; Pub. L. 97-100; and Pub. L. 97-257.

§ 114.1 Purpose and scope.

The purpose of these regulations is to set forth the conditions governing the deposit, investment, and distribution of interest on funds held by the Bureau in special deposits; and to provide procedures required for determination of ownership and distribution of funds which are on deposit in account 14X6703 "Indian Moneys Proceeds of Labor Escrow Account—Pending Determination of Ownership".

§ 114.2 Definitions.

(a) "Agency" means any field office of the Bureau officially designated as an Indian agency and which provides direct services at the local level to Indians and Indian tribes, who are recognized by the Bureau as eligible for federal services to Indians because of their status as Indians.

(b) "Agency IMPL Escrow Account" means that portion of the funds in 14X6703 identifiable to that agency.

(c) "Beneficiary" means a potential beneficiary who has signed an acceptance.

(d) "Bureau" or "BIA" means the Bureau of Indian Affairs, Department of the Interior.

(e) "Claimant" means an individual (or a tribe) who asserts an entitlement to a share of the IMPL Escrow Account but has not been determined as a potential beneficiary.

(f) "IMPL Escrow Account" means account 14X6703, Indian Moneys, Proceeds of Labor Escrow Account—Pending Determination of Beneficiaries, U.S. Treasury.

(g) "Potential Beneficiary" means an individual or tribe determined eligible to share in the IMPL Escrow Account provided a proper acceptance is received on behalf of the individual or tribe involved.

(h) "Principal account" means each separate payment or deposit of money to the Bureau which is held as a special deposit.

(i) "Special deposit" means any suspense account used for the temporary deposit of funds which cannot be credited to specific accounts or readily distributed, including, but not limited to:

- (1) Advance deposits;
- (2) Advance deposits on other leases and permits for such Indian lands;
- (3) Advance payments and advance deposits required on sales of timber and other natural resources from such Indian lands;
- (4) Deposits for rights of way over such Indian lands and anticipated right-of-way damages held until such damages are determined; and
- (5) Deposits for grazing fees on such Indian lands.

(j) "Special deposit funds" means those funds held in special deposits.

(k) "Superintendent" means the Bureau official in charge of a Bureau agency.

§ 114.3 Investment of special deposit funds.

It is the policy of the Bureau to invest all special deposit funds which have been paid to the Bureau on behalf of Indians or Indian tribes pending the eventual payment for the sale, lease, or other transfer of tribal or individual Indian property and funds which are deposited solely for the purpose of guaranteeing performance.

§ 114.4 Payment and distribution of interest on special deposit funds.

(a) It is the general policy of the Bureau that interest and earnings from the investment of special deposit funds be credited to the principal accounts upon which the interest was earned.

(b) At the time that a withdrawal is made from a special deposit account, the interest earned by the principal account being withdrawn will be computed and withdrawn from the account as a part of the same transaction. The interest earned by the subject principal amount will be computed into two parts:

- (1) The portion of interest credited during the prior interest period which was attributable to this principal, and
- (2) The portion of interest which has been earned by this principal amount

but has not yet been credited to the account because the interest period is not complete. This will be computed by using the month-end balances since the last interest period times the last period's factor.

(c) No interest will be distributed to accounts which have less than the minimum average month-end balances as determined by the Division of Accounting Management. Any such interest not distributed would remain in the undistributed interest account at the Bureau level to be included in determining the next six month interest factor.

§ 114.5 Distribution of IMPL Escrow Account.

(a) *Determination of potential beneficiaries.* Each agency will determine the potential beneficiaries and their respective shares of the IMPL Escrow Account at that agency by the following method:

(1) Identify the unobligated balance in the agency IMPL account as of September 30, 1982, and interest accrued for the period ending September 30, 1982, which has subsequently been transferred into account 14X6703 IMPL Escrow Account Pending Determination of Ownership. This amount will be called the agency IMPL Escrow Account balance.

(2)(i) Identify the length of time which has been required to accumulate actual income into the former IMPL account to equal the current agency IMPL escrow account balance.

(ii) To determine the beginning date for ownership computations, subtract the length of time identified in paragraph (a)(2)(i) of this section from April 1, 1981. (Subsequent to April 1, 1981, interest earned on special deposits has been credited directly to each special deposit account rather than to an IMPL account.)

(3) Examine the Individual Indian Money (IIM) accounts to determine the total dollars transferred to each account from the principal in special deposit accounts during the period identified in paragraph (a)(2) of this section.

(4) Examine tribal treasury account records to determine the total dollars transferred to each tribal trust account from the principal in special deposit accounts during the period identified in paragraph (a)(2) of this section.

(5) Determine the percentage of the principal transferred from special deposit accounts into each IIM and tribal trust account. This is done by dividing the total amount of principal transferred from special deposit accounts into all accounts at the agency into the total computed for each IIM and

tribal trust account pursuant to paragraphs (a)(3) and (a)(4) of this section. The formula is as follows:

$$\frac{\text{Dollars transferred into an account}}{\text{Total dollars transferred by agency into all accounts}} = \text{Percent share for that account}$$

(6) Multiply this percentage by the agency IMPL Escrow Account balance to determine each potential beneficiary's share of that balance. Should this determined share be less than ten dollars (\$10.00) no transfer of funds will be made.

(7) The formula identified in paragraph (a)(5) of this section will be used in determining potential shares unless there are clear and available records at the agency level to identify specific amounts. If the records are used by the agencies they must be made available for public review upon request.

(b) *Notification of Determination of Potential Beneficiaries.* Upon completion of the determination of all potential beneficiaries of an agency IMPL Escrow Account, the Superintendent shall publish a general notice which shall contain the following:

(1) Brief history of agency IMPL Escrow account;

(2) Explanation of method of determination of potential beneficiaries;

(3) Information on availability of specific data;

(4) Instruction to potential beneficiaries on completion of acceptance forms, explaining that only those who complete the acceptance forms can receive any funds; and

(5) Establishment of deadline date by which potential beneficiaries must complete the acceptance forms to receive the funds. This deadline will be 180 days from the date of the general notice. This general notice shall be published in the usual and customary manner for making public such documents. If such usual and customary publication does not include posting on the agency bulletin board and publication in at least one local newspaper of general distribution, the posting on the bulletin board and local newspaper publication shall be done in addition to the usual and customary manner of publication.

(c) *Acceptance by potential beneficiary.* Before the funds identified in paragraph (a) of this section as transferable to a potential individual or tribal beneficiary can be deposited into

that potential beneficiary's account the following must be completed:

(1) The potential beneficiary must sign an acceptance of the determination by the Secretary which shall constitute a complete release and waiver of any and all claims by the potential beneficiary against the United States relating to the unobligated balance of IMPL accounts as of the close of business on September 30, 1982.

(2) The acceptance must be signed during the 180 days between the date of the general notice provided for in paragraph (b) of this section and the deadline date established therein.

(3) In the case of a potential tribal beneficiary, the acceptance must be accompanied by a resolution of the appropriate tribal entity approving the acceptance and authorizing the designated tribal representative(s) to sign the acceptance. An acceptance on behalf of an estate account may be signed by the Superintendent if the determination of heirs has not become final and may be signed on behalf of individual inherited shares by each heir if the probate determination has become final. An acceptance on behalf of a minor may be signed by a parent, guardian or a person acting *in loco parentis*. An acceptance on behalf of an adult who has been determined legally incompetent or in need of assistance in managing his/her affairs pursuant to 25 CFR 115.9 may be signed by his/her authorized representative.

(d) *Distribution.* (1) After the expiration of the deadline established in paragraph (b) of this section, funds of individual beneficiaries who have completed the acceptance forms will be transferred from the IMPL Escrow Account into each beneficiary's IIM account. Funds derived from beneficiary estate accounts for which the heirs have been determined will be transferred into the heirs' accounts. Funds derived from beneficiary estate accounts for which the heirs have not been determined will be transferred into the estate account.

(2) Interest accrued for any period after October 1, 1982 will be credited to the beneficiary accounts on the same percentage basis as the original share.

(3) After the expiration of the deadline established in paragraph (b) of this section, funds of a tribal beneficiary and interest earned thereon since October 1, 1982 will be transferred into the appropriate tribal treasury account.

(4) Not more than ten percent (10%) of the funds which may be transferred to a trust account for any tribe, or to an IIM account for an individual, may be utilized by the beneficiary to pay for

legal or other representation relating to claims for such funds.

(5) Not more than two percent (2%) of the funds which may be transferred to a trust account for any tribe, or to an ILM account for an individual, may be utilized by the BIA to reimburse the BIA for administrative expenses incurred in determining ownership of the funds.

(e) *Appeals.* (1) Any potential beneficiary or claimant may appeal any decision made or action taken by a Superintendent under this section. Such appeal shall be made in writing and submitted as provided in 25 CFR Part 2.

(2) As provided in Part 2, the appeal must be received within 30 days after receipt of the written notice advising the potential beneficiary of his/her share of the IMPL Escrow account or advising the claimant that no share has been determined for him/her. No appeals will be accepted under this section after September 30, 1985.

(f) *Distribution of residual funds.* (1) After final administrative determination of ownership, including final determination of all appeals, and the completion of all appropriate fund transfers, but not later than October 1, 1985, any funds remaining in an agency IMPL escrow account may be expended subject to the approval of the Secretary for any purpose authorized under the Act of November 2, 1921 (42 Stat. 208; 25 U.S.C. 13) and requested by the governing body(s) of the tribe(s) at the location(s) where such agency IMPL escrow account is maintained. This authority to expend the escrow account funds ends September 30, 1987.

(2) The unobligated balances of all IMPL escrow accounts as of the close of business on September 30, 1987, shall be deposited into miscellaneous receipts of the U.S. Treasury.

John W. Fritz,
Acting Assistant Secretary—Indian Affairs.

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DEPARTMENT OF THE TREASURY

Bureau of Alcohol, Tobacco and Firearms

27 CFR Part 9

[T.D. ATF-155; Ref: Notice No. 411]

Chalk Hill Viticultural Area

AGENCY: Bureau of Alcohol, Tobacco and Firearms, Treasury (ATF).

ACTION: Final rule, Treasury decision.

SUMMARY: This final rule establishes a viticultural area in Sonoma County, California, approximately eight miles

north of Santa Rosa, to be known as "Chalk Hill." This final rule results from a petition originally submitted by seven wine/grape industry members in the area for the name "Sonoma Chalk Hill." ATF believes that the establishment of this viticultural area and the subsequent use of the name "Chalk Hill" as an appellation of origin in wine labeling and advertising will allow wineries to designate more precisely the area in which the grapes used in the production of wines were grown and will enable consumers to identify more clearly wines offered at retail.

EFFECTIVE DATE: November 21, 1983.

FOR FURTHER INFORMATION CONTACT: Michael J. Breen, Specialist, FAA, Wine and Beer Branch, Bureau of Alcohol, Tobacco and Firearms, 1200 Pennsylvania Avenue, NW, Washington, DC 20226 (202-566-7626).

SUPPLEMENTARY INFORMATION:

Background

On August 23, 1978, ATF published Treasury Decision ATF-53 (43 FR 37672, 54624) revising regulations in Part 4 of Title 27, Code of Federal Regulations. These regulations provide recognition of definite viticultural areas within the United States and also allow the name of an approved viticultural area to be used as an appellation of origin on wine labels and in wine advertisements.

On October 2, 1979, ATF published Treasury Decision ATF-60 (44 FR 6692) which amended Title 27, Code of Federal Regulations, by adding a new Part 9 entitled "American Viticultural Areas." This part lists all approved American viticultural areas which may be used as appellations of origin on wine labels and in wine advertisements.

Section 4.25a(e)(1) of Title 27, Code of Federal Regulations, defines an American viticultural area as a delimited grape-growing region distinguishable by geographical features. Any interested person may petition ATF to establish a grape-growing region as a viticultural area. In accordance with the procedure prescribed in 27 CFR 4.25a(e)(2) for proposing a viticultural area, a petitioner must submit:

- (a) Evidence that the name of the viticultural area is locally and/or nationally known as referring to the area specified in the application;
- (b) Historical or current evidence that the boundaries of the viticultural area are as specified in the application,
- (c) Evidence relating to the geographical features (climate, soil, elevation, physical features, etc.) which distinguish the viticultural features of

the proposed area from surrounding areas;

(d) The specific boundaries of the viticultural area, based on features which can be found on U.S.G.S. maps of the largest applicable scale; and,

(e) Copies of the appropriate maps with the boundaries prominently marked.

After evaluation of the petition, ATF published in the *Federal Register* of May 12, 1982, a notice of proposed rulemaking (Notice No. 411, 47 FR 20321) concerning the establishment of this viticultural area and solicited written comments from the public.

Comments

ATF received four written comments in response to the notice of proposed rulemaking. One comment was generally supportive of designating "Chalk Hill" as a viticultural area. Three comments favored extension of the boundary of the proposed viticultural area. One of these three comments, a comment bearing the signatures of eight local wine/grape industry members, six of whom had been signatories to the original petition, was submitted as an "amended petition" to include the premises of two bonded wineries as well as additional acreage devoted to grape growing.

Sonoma-Cutrer Vineyards submitted the fourth comment which was a request for extension of the southwestern portion of the boundary to include 300 acres of vineyards. In conjunction with this request, ATF received a letter of agreement signed by seven of the eight signatories to the "amended petition."

The commenters were supportive of ATF's proposal to delete the county name "Sonoma" from the originally proposed appellation "Sonoma Chalk Hill." The comment submitted by six of the seven original petitioners stated that the primary purpose for including the name of the county in the viticultural area was to inform consumers that the Chalk Hill area is in Sonoma County. However, the commenters agreed with ATF that this information can be conveyed by placing "Sonoma County" elsewhere on the label.

Name

The area within the boundary of the proposed viticultural area is known locally as "Chalk Hill" and takes its name from the hill of the same name located within the proposed area. Cultivation of grapes in Sonoma County began in 1824. By 1855, grapes were being cultivated at Windsor, the principal town closest to the proposed area. By the mid-1890's there were a half dozen wineries located in the Windsor